



Extended Deadlines for Businesses Affected by Hurricane Katrina

To: Alcohol, Tobacco, Firearms, and Ammunition Industry Members Affected by Hurricane Katrina

Summary of Extended Deadlines.

The Alcohol and Tobacco Tax and Trade Bureau (TTB) recognizes that many of the businesses that we regulate were severely impacted by the recent Hurricane Katrina disaster. In order to assist these businesses, we have extended until February 28, 2006, several filing and payment deadlines for industry members and claimants in the affected disaster areas. Specifically, TTB is:

- Extending tax return filing, tax payment, and tax deposit deadlines for alcohol, tobacco, firearms, and ammunition excise taxes.
- Extending filing deadlines for certain claims.
- Extending filing deadlines for submission of operations reports.
- Allowing the expanded use of alternate methods or procedures by affected businesses.

Background.

In response to Hurricane Katrina, on August 28, 2005 and August 29, 2005, the President issued four Federal disaster declarations covering the States of Alabama, Mississippi, Louisiana, and Florida. Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5206 (Stafford Act), these presidential declarations authorized the Federal Emergency Management Agency (FEMA) to provide various types of assistance to counties and parishes in each affected State. FEMA determined that certain counties and parishes within those States were eligible for Individual Assistance, Public Assistance, or both.

Authority.

The Secretary of the Treasury has authority under 26 U.S.C. 7508A to grant blanket relief to taxpayers affected by a "Presidentially declared disaster" by extending the deadlines for certain actions required under the Internal Revenue Code of 1986 (IRC). See also 26 U.S.C. 6081 (authority to extend deadline for filing of returns or other documents) and 26 U.S.C. 6161 (authority to extend deadlines for payment of tax). The authorities of the Secretary in the administration and enforcement of sections 4181 and

4182 of the IRC, as well as Chapters 51 and 52 of the IRC, have been delegated to the Administrator of TTB. See Treasury Order No. 120-1 (Revised).

On September 23, 2005, the President signed the Katrina Emergency Tax Relief Act of 2005, Public Law No. 109-73. Section 403 of the Act provides that relief provided to taxpayers affected by Hurricane Katrina under section 7508A must be extended until at least February 28, 2006.

Geographic Areas Covered.

Because of the extreme damage done by Hurricane Katrina, TTB is extending filing, deposit, and payment deadlines, as specifically set forth in this circular, for taxpayers in those areas designated by FEMA for Individual Assistance and/or Public Assistance. For a complete listing of counties and parishes covered by these special rules, see the Appendix to this circular. If your alcohol, tobacco, firearms or ammunition business premises are located in one of the listed counties or parishes, these extended deadlines apply to you.

Extended Deadlines for Filing Returns, Paying Taxes, and Making Deposits.

Alcohol and tobacco excise taxpayers are required to submit tax returns on TTB F 5000.24, Excise Tax Return, and pay any tax due according to established due dates. Firearms and ammunition excise taxpayers are required to make deposits on TTB F 5300.27, Federal Firearms and Ammunition Excise Tax Deposit, and submit tax returns on TTB F 5300.26, Federal Firearms and Ammunition Excise Tax Return, according to established due dates.

Effective immediately, all due dates for making deposits, filing returns, and paying such Federal excise taxes are postponed until February 28, 2006, for taxpayers located in the geographic areas covered by this circular. This includes the October 31, 2005, and the January 31, 2006, due dates for the filing of firearms and ammunition excise tax returns and payment of such taxes. The postponement of deadlines applies to any tax return, tax payment, or tax deposit with an original due date falling on or after August 29, 2005, or, in Florida, where Katrina struck first, on or after August 24, 2005. Accordingly, interest and penalties will not accrue where such returns are filed, and payments and deposits are made, no later than February 28, 2006.

Claims for Credit or Refund by Producers.

The IRC specifies a 6-month period for the filing of certain claims for credit or refund of tax by a distilled spirits plant, winery, brewery or manufacturer of tobacco products or cigarette papers or tubes. These claims include, but are not limited to, claims for credit or refund of excise taxes paid on alcohol products returned to the premises of the producer and on tobacco products withdrawn from the market. See 26 U.S.C. 5008(c), 5044, 5056, and 5705.

TTB is postponing the filing deadline for such claims filed by industry members located in the geographic areas covered by this circular until February 28, 2006. The postponement of deadlines applies to any claim for which the deadline for filing falls on or after August 29, 2005, or, in Florida, where Katrina struck first, on or after August 24, 2005.

Claims by Manufacturers of Nonbeverage Products.

Manufacturers of nonbeverage products may file claims for drawback on distilled spirits used in the manufacture of nonbeverage products. Under 26 U.S.C. 5134, claims for drawback must be filed within the 6 months next succeeding the quarter in which the distilled spirits were used in the nonbeverage product.

TTB is postponing the filing deadline for nonbeverage drawback claims in the geographic areas covered by this circular until February 28, 2006. The postponement of deadlines applies to any claim for nonbeverage drawback under 26 U.S.C. 5134 for which the deadline for filing falls on or after August 29, 2005, or, in Florida, where Katrina struck first, on or after August 24, 2005.

Export Documentation.

Pursuant to regulations found at 27 C.F.R. 44.66, a manufacturer of tobacco products or cigarette papers and tubes or an export warehouse proprietor is relieved of the liability for tax on tobacco products or cigarette papers or tubes upon providing satisfactory evidence of exportation to TTB. This evidence must be furnished within 90 days of removal.

TTB is postponing the deadline for submission of evidence of exportation for manufacturers and export warehouse proprietors located in the geographic areas covered by this circular until February 28, 2006. The postponement of deadlines applies to any exportation for which the deadline for filing proof of exportation falls on or after August 29, 2005, or, in Florida, where Katrina struck first, on or after August 24, 2005.

Extended Filing Deadline for Operations Reports.

TTB regulations require that certain regulated industry members file periodic reports of operations. These reports are normally filed on a monthly, quarterly, or annual basis, as specified in those regulations.

TTB is postponing the due dates for submitting operations reports by alcohol and tobacco industry members in the geographic areas covered by this circular until February 28, 2006. The postponement of due dates applies to reports for which the due date falls on or after August 29, 2005, or, in Florida, where Katrina struck first, on or after August 24, 2005.

Alternate Methods and Procedures.

TTB recognizes that the operations of many of our regulated industry members located within the areas covered by this circular may have been impacted by the Hurricane Katrina disaster in ways not addressed above. For example, we recognize that plant premises may have been damaged and records may have been lost during the disaster. In such cases, we will consider applications for the use of reasonable alternate methods and procedures that help the affected industry members to resume or continue their operations. Alternate methods and procedures will be approved on a case-by-case basis.

Disaster Claims.

For information regarding claims for refund or credit of Federal excise taxes paid on beverage alcohol or tobacco products lost, rendered unmarketable, or condemned by a duly authorized official under various circumstances, including disasters, visit the TTB web site at http://www.ttb.gov/publications/alctob_pub/i120068disaster2005.html.

Further Information.

If you have any questions about the information contained in this circular, please contact the National Revenue Center at: 1-877-882-3277 or 513-684-3334, or e-mail TTB at ttbquestions@ttb.treas.gov. If you need to apply for an alternate method or procedure, contact Mr. James McCoy at 513-684-2120.

A handwritten signature in black ink, reading "John J. Manfreda". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

John J. Manfreda
Administrator
Alcohol and Tobacco Tax and Trade Bureau

Attachment: Appendix

APPENDIX - Affected Counties or Parishes

Florida (declaration August 28, 2005, including subsequent amendments)

Bay, Broward, Collier, Escambia, Franklin, Gulf, Miami-Dade, Monroe, Okaloosa, Santa Rosa, and Walton

Alabama (declaration August 29, 2005, including subsequent amendments)

Baldwin, Bibb, Choctaw, Clarke, Colbert, Cullman, Greene, Hale, Jefferson, Lamar, Lauderdale, Marengo, Marion, Mobile, Monroe, Perry, Pickens, Sumter, Tuscaloosa, Washington, Wilcox, and Winston

Louisiana (declaration August 29, 2005, including subsequent amendments)

Acadia, Allen, Ascension, Assumption, Avoyelles, Beauregard, Bienville, Bossier, Caddo, Calcasieu, Caldwell, Cameron, Catahoula, Claiborne, Concordia, Desoto, East Baton Rouge, East Carroll, East Feliciana, Evangeline, Franklin, Grant, Iberia, Iberville, Jackson, Jefferson, Jefferson Davis, Lafayette, Lafourche, LaSalle, Lincoln, Livingston, Madison, Morehouse, Natchitoches, Orleans, Ouachita, Pointe Coupee, Plaquemines, Rapides, Red River, Richland, Sabine, St. Barnard, St. Charles, St. Helena, St. James, St. John, St. Landry, St. Mary, St. Martin, St. Tammany, Tangipahoa, Tensas, Terrebonne, Union, Vernon, Vermilion, Washington, Webster, West Baton Rouge, West Carroll, West Feliciana, and Winn

Mississippi (declaration August 29, 2005, including subsequent amendments)

Adams, Alcorn, Amite, Attala, Benton, Bolivar, Calhoun, Carroll, Chickasaw, Choctaw, Claiborne, Clarke, Clay, Coahoma, Copiah, Covington, DeSoto, Forrest, Franklin, George, Greene, Grenada, Hancock, Harrison, Hinds, Holmes, Humphreys, Issaquena, Itawamba, Jackson, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lafayette, Lamar, Lauderdale, Lawrence, Leake, Lee, Leflore, Lincoln, Lowndes, Madison, Marion, Marshall, Monroe, Montgomery, Neshoba, Newton, Noxubee, Oktibbeha, Panola, Pearl River, Perry, Pike, Pontotoc, Prentiss, Quitman, Rankin, Scott, Sharkey, Simpson, Smith, Stone, Sunflower, Tallahatchie, Tate, Tippah, Tishomingo, Tunica, Union, Walthall, Warren, Washington, Wayne, Webster, Wilkinson, Winston, Yalobusha, and Yazoo